

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4199  
ANSWERED ON:11.08.2017  
Charges on Digital Transactions  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has asked the banks to lower charges on digital transactions above Rs.1000;
- (b) if so, the details thereof along with the guidelines issued by the Government to banks in this regard;
- (c) whether the Reserve Bank of India (RBI) has instructed banks to remove all charges on customers for transactions upto Rs.1000 settled on Immediate Payment Service (IMPS), Unstructured Supplementary Service Data (USSD) or Unified Payment Interface (UPI) systems and if so, the details thereof; and
- (d) whether these waivers were for a limited period and will be withdrawn once the currency circulation stabilises and if so, the details thereof?

**Answer**

The Minister of State in the Ministry of Finance

- (a) & (b) Reserve Bank of India (RBI) has capped Merchant Discount Rate on debit cards at 0.5% of the transaction value for transactions above Rs. 1,000 and up to Rs. 2,000, with effect from 1.1.2017.
- (c) & (d) RBI had instructed all participating banks and Prepaid Payment Instrument (PPI) issuers to not levy any charges on customers for transactions up to Rs. 1,000 settled on the Immediate Payment Service (IMPS), Unstructured Supplementary Service Data (USSD) and Unified Payment Interface (UPI) systems. This was applicable as a special measure, between January 1, 2017 and March 31, 2017.

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